NTPC-RIL gas pact

1961. SHRI NANDAMURI HARIKRISHNA:
SHRI M.V. MYSURA REDDY:
SHRI PENUMALLI MADHU:

Will the Minister of POWER be pleased to state:

(a) whether NTPC has since signed the gas pact with the Reliance Industries Ltd. (RIL) as reported in the Business Standard dated 20 May, 2009;

(b) if so, the details of the terms and conditions thereof; and

(c) if not, by when Government plans to re-allocate gas to other fuel-deficient power plants?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) Empowered Group of Ministers (EGOM) in its meeting dated 09.04.2009 had allocated 2.67 MMSCMD of KG D-6 gas, plant-wise, to NTPC's existing Gas based power stations at Anta, Dadri, Faridabad, Kawas and Gandhar, without prejudice to NTPC *vs.* RIL court case relating to gas supplies for Kawas and Gandhar expansion projects. Out of 2.67 MMSCMD, NTPC have signed the necessary Gas Sale and Purchase Agreements (GSPAs) for 0.61 MMSCMD for Anta, Dadri, Faridabad, approved by EGOM except for Kawas and Gandhar. Further, NTPC had requested for distribution of remaining allocation from KG D6 basin to its stations in northern region and redistribution of APM/PMT gas from NCR station of NTPC to its Kawas and Gandhar stations.

(b) As per the EGoM's approved gas price formula in the GSPAs, signed with M/s RIL/M/s Niko for EGoM's allocated 0.61 MMSCMD of KG D6 gas, the gas price works out to US $4.205/ MMBtu (on NCV basis) at a crude oil price cap of US $ 60/Barrel at landfall point, *i.e.* Kakinada. The duration of the GSPAs is till 31st March, 2014.

(c) While agreeing to NTPC's request of swapping, EGoM in its meeting dated 27.10.2009 has decided that 2.71 mmscmd of APM/PMT gas should be diverted from NTPC's plants in the Northern part of the country to Kawas and Gandhar, and an additional quantity of 2.71 mmscmd KG D-6 gas should be supplied on firm basis to NTPC's plants in Northern part of the country. Hence the question of reallocation of gas to other plants does not arise at this stage.

Emergency provision to curb power shortage

1962. SHRI M.V. MYSURA REDDY:
SHRI NANDAMURI HARIKRISHNA:
SHRI PENUMALLI MADHU:

Will the Minister of POWER be pleased to state:

(a) whether the power sector investors are jittery over increasing trade bans and States using emergency provision to usurp power plug shortages as reported in the Business Standard dated 25 May, 2009;

(b) if so, the details thereof along with the details of the emergency provisions;

(c) the guidelines likely to be issued to clarify what constitutes extraordinary circumstances in Section 11; and

(d) the additional measures being taken to boost investment in the power sector?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) In the recent past, some independent power producers have brought to the notice of the Central Government, Planning Commission and the Central Electricity Authority that the State Governments of Karnataka, Tamil Nadu, Orissa, Andhra Pradesh, Maharashtra and Rajasthan have issued orders under Section 11 or Section 108 restricting supply of power outside the State. The details of orders issued by the above State Governments are as under:-

Sl. No.	State	Section of the Act	Reasons specified in the order
1.	Karnataka	11	In public interest-to bridge the demand supply gap.
2.	Tamil Nadu	11	In public interest-due to power shortage
3.	Maharashtra	108	In Public Interest-due to acute power shortage
4.	Andhra Pradesh	11	In public interest
5.	Rajasthan	RRVPNL letter dated 21.4.2009	Reasons not given
6.	Orissa	11	Acute power shortage and the resultant hardship to the public

The private power generators who have entered into long term Power Purchase Agreements with utilities and consumers outside the State may face interference in selling of power under these contracts which amounts to violation and sanctity of the contract. Providing non discriminatory open access to transmission and distribution systems is necessary for inter-state of power, Market development, regulatory framework for tariff setting and protecting the interests of the consumers.

(b) and (c) The following provision has been made in the Electricity Act, 2003 under Section:-

"11(1)-Director to Generating Companies-the Appropriate Government may specify that a generating company shall, in extraordinary circumstances operate and maintain any generating station in accordance with the direction of that Government.

Explanation — For the purposes of this section, the expression "extraordinary circumstances" means circumstances arising out of threat to security of the State, public

order or a natural calamity or such other circumstances arising in the public interest."

(d) Some of the major initiatives taken by the Government to encourage investment in the power sector include-

(i) 100% FDI has been permitted on the automatic approval route in respect of projects relating to electricity generation, transmission and distribution (other than Nuclear Power Plants). Recently, power trading has also been included in the above, subject to compliance with the regulations under the Electricity Act, 2003;

(ii) Initiative for facilitating the development of Ultra Mega Power Projects of about 4000 MW capacity each under the tariff based competitive bidding route using super critical technology; and

(iii) The Central Government has on 19th January 2005 issued guidelines for competitive bidding for determination of tariff procurement of power by distribution licensees after due consultation with the Central Electricity Regulatory Commission (CERC), This is expected to further encourage foreign as well as private sector investment. Subsequently, the Central Government has also issued detailed guidelines for tariff based competitive bidding process for procurement of transmission services for transmission of electricity *vide* notification dated 17th April, 2006.

Power transmission among States

1963. DR. T. SUBBARAMI REDDY:
SHRI V. HANUMANTHA RAO:

Will the Minister of POWER be pleased to state:

(a) whether power regulator has notified the new transmission rule that would allow power producers with the capacity of at least 250 MW to transfer power beyond their State limits through contracts for 3 to 5 years;

(b) if so, whether, after detailed consultation with the stake holders, Central Electricity Regulatory Commission (CERC) revised connectivity regulations for inter-State transmission rules, that now include guidelines for medium-sized open access power trading and long term power transactions; and

(c) if so, to what extent these rules have helped in transmitting power to other States?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) Yes, Sir. Central Electricity Regulatory Commission (CERC) has notified on 7th August 2009 CERC (Grant of connectivity, Long-term Access and Medium-term Open Access in inter-State transmission and related matters) regulations 2009 after following a due process of law of previous publication of the draft regulation and consultations with stakeholders.